

VIRGINIA DEPARTMENT OF TAXATION
CERTIFICATION OF REHABILITATIVE SERVICES FOR THE CREDIT FOR
EMPLOYERS OF INDIVIDUALS WITH DISABILITIES

Under the provisions of Section 58.1-439.11, Code of Virginia

Part I: To be completed by the employer

Section A - Employer Information.

FEIN _____
Business Name _____
Street Address _____
City, State, ZIP Code _____

Section B - Employee Information.

Social Security Number _____
Full Name _____
Street Address _____
City, State, ZIP Code _____

Section C - Employer certification

Under penalty of law, the information provided above is complete and correct.

Signature: _____
Print Name: _____

Date _____
Phone _____

Part II:

Section A - Agency Information

Based on the records of the

- ☐ VIRGINIA DEPARTMENT OF REHABILITATIVE SERVICES
☐ VIRGINIA DEPARTMENT FOR THE BLIND AND VISION IMPAIRED
☐ UNITED STATES DEPARTMENT OF VETERANS AFFAIRS

The individual in Part I, Section B, above -

- ☐ began rehabilitative services on: _____ Date services ended: _____
or ☐ is completing rehabilitative services.
or ☐ has no record of receiving rehabilitative services.

Case No. _____

Section B - Certification of rehabilitative services

I certify that Part II, Section A is correct.

Certified By: Print Name _____ Signature: _____

Title: _____ Phone Number: _____ Date: _____

Address, if different from the address listed in the Form DEC instructions

Instructions for Completing This Form

GENERAL INSTRUCTIONS See the definitions section for details on the terms used in this form..

Who Qualifies For This Credit

Employers who hired, on or after January 1, 1999, but before December 31, 2002, an employee with a disability may claim this credit if the employee has completed, or is completing, rehabilitative services from the Virginia Department of Rehabilitative Services or the Virginia Department for the Blind and Vision Impaired or the US Department of Veterans Affairs. This credit may not be claimed for an employee that is a relative of the owner or owns, directly or indirectly, more than 5% in value of the outstanding stock of a corporation claiming the credit. The credit may not be computed on wages paid to an employee with a disability while the employer received federal or state employment training benefits for the employee or any period during which the employee was on strike.

How the credit is computed

The credit is 20% of the first \$6,000 of annual wages paid to each qualified employee during the first two taxable years of such employee's employment.

You may claim this credit against one of these state taxes.

This credit is allowable against these taxes administered by the Department of Taxation: individual income tax (§58.1-320, et seq.), estate and trust income tax (§58.1-360 et seq.), corporation income tax (§58.1-400 et seq.), bank franchise tax (§58.1-1200 et seq.) and these taxes administered by the State Corporation Commission: taxes imposed upon insurance companies (§58.1-2500 et seq.), telegraph, telephone, water, heat, light, power and pipeline companies (§58.1-2620 et seq.). This credit is not refundable, but excess credit may be carried forward for the next three taxable years until fully used. The same tax credit shall not be applied more than once against any tax by the same taxpayer or be carried back to any prior year.

This credit is claimed in a three-part process.

- **1. File Form DEC first.** Complete Part I of Form DEC for each employee you are requesting certification for and send it to the agency which provided rehabilitative services for that employee. Allow 60 days for that agency to process and return Form DEC to you.
- **2. Complete Form 307.** Compute the allowable credit using the information from Form(s) DEC.
- **3. Claim the credit on the appropriate state tax return**

Where to File Form DEC

Complete Part I of Form DEC and send it to the agency that provided the rehabilitative services. The agency telephone numbers and filing addresses are listed below. The agency completes Part II and sends the Form(s) back to the employer listed in Section A of Part I.

Qualifying Agencies

Virginia Department of Rehabilitative Services. Mail Form DEC to the VDRS counselor who worked with your employee. For information call that VDRS counselor.

OR

Virginia Department for the Blind and Vision Impaired

Program Director
397 Azalea Avenue
Richmond, Virginia 23227-3697
(804) 371-3140

OR

U.S. Department of Veterans Affairs

Roanoke Regional Office
Vocational Rehabilitation and Counseling Division
210 Franklin Road SW
Roanoke, Virginia 24011
(540) 857-2433

When To File Form DEC

File **Form(s) DEC** with the agency, or agencies, which provided the rehabilitative services for your employee(s) with a disability at least 60 days before your tax return due date. When Form DEC has been returned compute the credit on Form 307 and claim the credit on your tax return.

You may need to file for an extension

If certification is not received before the due date of your income tax return, you must file for an extension of time to file your income tax return or file an amended income tax return after the credit is computed. As a general rule, an amended return must be filed within three years from the due date of the original return. See the instructions for the tax return on which this credit will be claimed for additional information on filing extensions and amended returns.

Definitions

"Qualified employee" means a qualified person with a disability who has completed or is completing rehabilitative services provided by the Department of Rehabilitative Services, the Department for the Blind and Vision Impaired or the U.S. Department of Veterans Affairs. A qualified person claiming a disability (i) shall not be a relative of any owner or the employer claiming the credit and (ii) shall not own, directly or indirectly, more than five percent in value of the outstanding stock of a corporation claiming the credit.

"Relative" means a spouse, child, grandchild, parent or sibling of an owner or employer.

"Owner" means a sole proprietor, partner, or, in the case of a corporation, any person who owns five percent or more of the corporation's stock.

"Wages" means wages, within the meaning of § 51 (c) (1), (2) and (3) of the Internal Revenue Code without regard to § 51 (c) (4) of the Internal Revenue Code, that are paid by an employer to an employee for services performed in the employer's trade or business.

Distribution of Form DEC

After signing Sec. B, Part II, Form DEC, make two copies of the form.

- Return the original form to the employer identified in Part I, Section A.
- Send one copy to: Department of Taxation, Capped Credit Unit, P. O. Box 715, Richmond, VA 23218-0715.
- File the remaining copy of the certified form in the appropriate location for your agency's records.

LINE INSTRUCTIONS

PART I (to be completed by the employer)

Section A - Enter the name of the employer requesting this credit that is paying wages to the individual with disabilities using the information and definitions in the general instructions for completing Form DEC.

Section B - Enter the name of the employee with disabilities for whom certification as a person who has completed or is completing rehabilitative services provided by one of the three qualifying agencies.

Complete a separate Form DEC for each employee for whom certification is requested.

Check all information in this section carefully. Leaving any lines blank or providing any incorrect information, such as an incorrect address or social security number, will delay processing.

Section C - Complete Section C to certify that the information in Sections A and B above are correct. Your daytime telephone number is requested in case additional information is needed.

PART II (to be completed by the certifying agency)

Section A - Check the applicable box in Section A to identify your agency

Review agency records for the employee listed in Part I, Section B, to determine if rehabilitative services have been provided by your agency for that person, then:

- Check the applicable box to note whether the employee has completed or is completing rehabilitative services and enter the date services began, and if completed, enter the date services ended.
- If services have not been completed, enter *Not Completed* in the "Date services ended" box.
- If your records do not show rehabilitative services being provided to the employee, check the box labeled "has no record of receiving rehabilitative services."

Section B - Complete this section to certify that the information provided in Section A of Part II is correct. Sign your name and provide your phone number and title to identify yourself. If certifying services provided by the Virginia Department of Rehabilitative Services, also enter your mailing address.